

Report of the Head of Legal Services

Members' Allowances Scheme 2017/18

Purpose of report

1. To consider whether to make any alterations to the Members' Allowances Scheme for 2017/18 in light of the small change in the Consumer Price Index to December 2016.

Recommendation

It is recommended that Members determine the level of Members' Allowances for 2017/18.

Introduction and Background

2. The Authority is required to make a scheme each year for its Members to be paid a basic annual allowance, under the Local Authorities (Members' Allowances) (England) Regulations 2003. Authorities may also make provision for other allowances, for example for those Members with special responsibilities or for travel and subsistence. The proposed 2017/18 budget for Members' Allowances is £51,300.
3. The Regulations allow for authorities to refer to an index for the purpose of any annual adjustments to the levels of allowances. However, authorities are not allowed to rely on such an index for longer than four years without seeking a recommendation from their relevant Independent Remuneration Panel (IRP). As the Fire Authority does not have its own IRP, such matters are referred to the IRP of each constituent authority (Herefordshire Council and Worcestershire County Council).

Consumer Price Index

4. The Authority has used the Consumer Price Index (CPI) for the purpose of annually adjusting Members' Allowances since 2008, however the Authority did not agree to take any uplift until February 2016, which provided a slight increase of 0.2% for the financial year 2016/17.
5. The Office of National Statistics has reported that the CPI rose by 1.6% in the year to December 2016. This is the highest rate since July 2014, when it was also at 1.6%. By way of example, an increase of 1.6% would equate to an additional £18.65 on the current basic allowance of £1,165.80 and would increase the total annual cost of Members' Allowances by approximately £800.

6. The previous recommendation by the Herefordshire and Worcestershire IRPs in relation to the use of the CPI by the Authority expires at the end of this financial year (31 March 2017). In line with the Regulations, further views of the IRPs have been sought in relation to the continued use of the CPI for a further four years.
7. The IRPs have not been in a position to provide a view to the Authority regarding the continued use of the CPI, however the Authority is required to make a scheme at the beginning of each year. In light of this, Members are asked to determine whether to make any alterations to the Members' Allowances Scheme for 2017/18.

Conclusion/Summary

8. The Authority has used the CPI to make any necessary annual adjustments to its Members' Allowances Scheme in line with the previous recommendation by the Herefordshire and Worcestershire IRPs. Further views of the IRPs have been sought in relation to the continued use of the CPI for a further four years.
9. The IRPs have been unable to provide a view to the Authority on the use of the CPI. As the Authority is required to make a Members' Allowances Scheme on an annual basis, it is recommended that the Authority determines whether to make any alterations to the Members' Allowances Scheme.
10. Should the Authority approve an uplift in Members' Allowances for 2017/18 in line with the CPI this would result in an additional £18.65 on the current basic allowance of £1,165.80 and would increase the total annual cost of members' allowances by approximately £800.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	The proposed budget for Members' Allowances is £51,300.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	None directly.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	None directly.
Consultation (identify any public or other consultation that has been carried out on this matter)	None.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	The basic allowance payable is determined by the Regulations, however the current Members' Allowances Scheme also includes a Dependents' Carers' Allowance to assist those Members with caring responsibilities in carrying out their approved duties.

Supporting Information

Appendix 1 – Members' Allowances Scheme 2016/17

Background papers –

Local Authorities (Members Allowances) (England) Regulations 2003

Fire Authority Report and Minutes – 17 June 2015

Inflation and Price Indices – Office for National Statistics www.ons.gov.uk

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